

III. DOLLARS FOR HISTORIC PRESERVATION

Introduction

Historic preservation activity is an important element in our state's economic base. It is part and parcel of many business enterprises and home ownership. It is a component of public resources management and overall community development. We no longer assume that historic preservation does not pay its own way and must rely solely on grants and other incentives to be viable. Efforts to revitalize Main Street, for example, are reflective of the notion that preservation can simply be good business. Efforts to preserve and interpret historic resources are closely related to efforts to create a sustainable heritage-based tourism economy for the State of Montana.

However, preservation activities do continue to require innovative approaches that make use of diverse funding sources and programs. This chapter includes a description of some funding sources and mechanisms that are available to further historic preservation projects. In some cases, the suggested sources are not necessarily focused on historic preservation but may be tapped for projects that have multiple objectives.

Federal Programs

U.S. Department of the Interior

Historic Preservation Fund (HPF)

The Historic Preservation Fund was established in 1966 as part of the National Historic Preservation Act (NHPA). A portion of this fund is passed through from the National Park Service to the Montana State Historic Preservation Office for a number of purposes including the following:

- Providing information and technical assistance to communities, state and federal agencies, organizations and individuals.
- Maintaining a statewide inventory and conducting survey and planning studies to determine the nature, condition and significance of various historic and prehistoric resources.
- Monitoring undertakings and activities, which require review under state and/or federal statutes governing historic preservation.
- Establishing and maintaining a system of Certified Local Governments with local preservation officers.
- Assisting in the preparation of National Register nominations and applications for federal preservation tax incentives.

The NHPA also authorizes the use of the Historic Preservation Fund for acquisition, stabilization and development of historic resources. ***However, adequate funds have not been appropriated in recent years for these categories of activity.***

Land and Water Conservation Fund (LWCF)

The Department of Interior is authorized to distribute funds under the Land and Water Conservation Fund program for parks, trails and other recreation-oriented sites. Occasionally such sites are developed in conjunction with historic and prehistoric resources. Approximately 75 percent (or \$60 million) of these funds is allocated to federal agencies and about \$25 million is allocated to the states. Montana's share of these funds has been small, but communities and other political subdivisions are eligible to apply for assistance on a 50/50 cost share basis through the Montana Department of Fish, Wildlife and Parks, (406) 444-3750.

Bureau of Land Management (BLM)

The Bureau of Land Management provides Challenge Cost Share Funds on a matching basis for projects which result in partnerships between local communities and the BLM to improve cultural, natural and recreational resources on or adjacent to BLM Lands. Fund allocation follows the federal fiscal year (October 1 through September 30). Contact the BLM District office in your region of the state to learn about Challenge Cost Share opportunities and the range of available funding,

U.S. Department of Commerce, Economic Development Administration, (EDA)

The EDA provides funds for technical assistance, planning and the development of projects that result in the creation of new employment. Technical assistance grants usually average about \$25,000 and require a small cash match. Capital grants and revolving loan funds are available on a 50/50 matching basis and vary in size from hundreds of thousands to millions of dollars. EDA funds may be applied to economic development projects that make use of historic resources. The Montana State Historic Preservation Office (SHPO) for compliance under the NHPA must review projects. Assistance is available through the EDA office, Federal Building, Helena, (406) 449-5074.

U.S. Department of Housing and Urban Development (HUD)

Community Development Block Grants (CDBG)

The U.S. Department of Housing and Urban Development (HUD) makes grants available for housing, infrastructure improvement and economic development. Projects are typically large (hundreds of thousands to millions of dollars) and must serve the interests of low and moderate-income people. Great Falls and Billings receive CDBG funds on an entitlement basis. Other communities must compete for funds under the Small Cities Program that is administered by the Montana Department of Commerce. As with EDA, CDBG funds may be used for projects associated with historic properties. Such projects must be reviewed by the SHPO.

Other HUD Programs

HUD is the principal federal agency responsible for addressing the nation's housing needs. In carrying out its responsibilities, the Department administers a wide variety of programs including: Federal Housing Administration mortgage insurance programs that help families become homeowners and facilitate the construction and rehabilitation of rental units. Often this may involve historic homes. They also grant rental assistance programs for lower-income families who otherwise could not afford decent housing. The Government National Mortgage Association, (a mortgage-backed securities program), helps ensure an adequate supply of mortgage credit in programs to combat housing discrimination and affirmatively further

fair housing. These programs aid community and neighborhood development and preservation with programs to help the homebuyer in the marketplace.

The Low Income Housing Tax Credit has been used in conjunction with the Rehabilitation Tax Credit (see Chapter II) to keep affordable housing in many historic districts. It can cover any size project, from one rental unit to many.

Low Income Housing Tax Credit

The Montana Board of Housing should be contacted for updated information on the Low Income Housing Tax Credit. In 1990, Congress passed the National Affordable Housing Act. The Act includes a number of programs which address housing issues associated with the homeless, persons with disabilities, and low income individuals and families. These new programs include the HOME Program that seeks to expand the supply of decent, affordable housing for low and very low income families, and the HOPE Program that has been created to increase home ownership for low income and working poor families. For further information on these and other housing programs, contact:

HOUSING ASSISTANCE BUREAU
MONTANA DEPARTMENT OF COMMERCE
1424 NINTH AVENUE – PO BOX 200501
HELENA MONTANA 59620
PHONE: (406) 444-2804

U. S. Department of Agriculture

Farmers Home Administration

The U.S. Department of Agriculture offers a number of programs in the area of housing and rural community development that can be of assistance to preservation efforts. These include the programs of the Farmers Home Administration that provides assistance for rural housing preservation and funding for low and very low-income housing and rental units in smaller communities. Further information can be obtained from the Farmers Home Administration Office in Bozeman.

U.S. Forest Service

The U.S. Forest Service has two significant programs that can be applied to preservation projects. The first is the 1990 Farm Bill fund appropriation that provides matching funds to communities for projects in rural economic development. Recipient communities must meet certain threshold requirements in the area of unemployment particularly as it relates to changes in the forest economy. Funds are available on an annual basis and applications are typically due in early spring.

The Forest Service also provides Challenge Cost Share Funds on a matching basis for projects that result in partnerships between local communities and the Forest Service to improve cultural, natural and recreational resources on or adjacent to Forest Service lands. Funding cycles reflect the federal fiscal year (October 1 through September 30). Contact the District Ranger in your area for further information on Forest Service programs and the range of funding available.

Institute of Museum Services (IMS)

IMS is an independent agency within the Executive Branch of the federal government. The agency was established by an Act of Congress in 1976, to encourage and assist museums in modernizing their methods and facilities so that they may be better able to conserve our cultural, historic and scientific heritage and to ease the financial burden borne by museums as a result of their increasing use by the public. IMS provides funding for conservation assessments and projects and is the only federal agency that provides general operating support for museums of all disciplines. For many museums, IMS is the only source of federal support. The 15-member National Museum Services Board, appointed by the President determines the policies and programs of IMS. For more information, contact:

INSTITUTE OF MUSEUM SERVICES
100 PENNSYLVANIA AVENUE- NW ROOM 609
WASHINGTON D.C. 20506
PHONE: (202) 606-8539

Native American Programs

A number of federal agencies administer programs in economic development, housing, training, technical assistance and research specifically for Native Americans. Specific program information may be obtained by contacting the offices listed in the following sections:

Historic Preservation Fund Grants to Indian Tribes, Alaska Natives, and Native Hawaiian Organizations

Supports historic preservation projects and programs and promotes the continuation of living cultural traditions. Categories of funding include, in priority order: Historic Preservation Projects; Non-Construction; Cultural Needs Assessments; Documenting Your Community's Traditions; Historic Preservation Projects & Construction; Collections Management and others. Contact:

JOE WALLIS
NATIONAL PARK SERVICE
PRESERVATION ASSISTANCE DIVISION
1201 "I" STREET, NW
WASHINGTON D.C. 20013-7127

ASSISTANT REGIONAL DIRECTOR
CULTURAL RESOURCES AND PARTNERSHIPS
INTERMOUNTAIN REGIONAL OFFICE
12795 W ALAMEDA PARKWAY
PO BOX 25287
DENVER CO 80225

PROGRAM MANAGER
CULTURAL RESOURCES AND NATIONAL REGISTER PROGRAMS
SANTE FE SUPPORT OFFICE
PAISANO BUILDING
2968 RODEO PARK DRIVE WEST
SANTA FE NM 87505

Native American Programs

Promotes self-governance, business and economic development through the provision of training, technical assistance, research, demonstrations and evaluation activities to public and private non-profit organizations. There is available funding up to \$1.2 million. Contact:

ADMINISTRATION FOR NATIVE AMERICANS
DEPARTMENT OF HEALTH AND HUMAN SERVICES
ROOM 344-F, 200 INDEPENDENCE AVENUE SW
WASHINGTON D.C. 20003
PHONE: (202) 690-7727

Indian Grants for Economic Development

Improves Indian reservation economies by providing seed money to attract financing from other sources for developing Indian owned-businesses. There is available funding up to \$250,000 per project. Contact:

DIRECTOR, OFFICE OF ECONOMIC DEVELOPMENT
BUREAU OF INDIAN AFFAIRS; DEPARTMENT OF THE INTERIOR
1849 C STREET- NW ROOM 4060
WASHINGTON D.C. 20240
PHONE: (202) 208-5324

Indian Housing Assistance

Intended to substantially eliminate substandard Indian housing. There is available funding: up to \$45,000 per project.

Indian Loans-Economic Development

Provides Indians, Alaska natives, tribes and Indian organizations with assistance in obtaining financing from private and government sources that serve other citizens. Available funding is in excess of \$1 million per project.

Public and Indian Housing

Provides housing for Indian families and individuals using various HUD programs. Contact:

ASSISTANT SECRETARY FOR PUBLIC AND INDIAN HOUSING
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
451 SEVENTH STREET-SW
WASHINGTON D.C. 20410
PHONE: (202) 708-9590

MONTANA PROGRAMS

Community Transportation Enhancement Program (CTEP)

The Montana Department of Transportation (MDOT) has made funds available for projects under the National Intermodal Surface Transportation and Efficiency Act. The Act provides for 10 percent of all surface transportation funds to be used for enhancement projects including historic preservation. Funds have been made available on a per capita basis to counties for local enhancement projects under the CTEP program. Contacting MDOT in Helena (406) 444-6201 or local county commissions may obtain further information.

Montana Cultural Trust

The state makes grants to cultural and aesthetic projects from interest earned in the investment of coal tax revenues in the Cultural Trust. Funds are available in operations, capital, special projects and endowment development categories for historic preservation activities. Applications are reviewed bi-annually by a 16-member Cultural and Aesthetic Projects Advisory Committee. Their funding recommendations are submitted to the Montana Legislature for final approval. Applications are typically due during the summer prior to the legislative session. Eligible applicants include local government entities, state colleges and universities and Indian Tribes.

For information about Montana Cultural Trust grants, or consultation about proposals or assistance in completing grant forms, contact the Montana Arts Council, (406) 444-6514; the Montana Historical Society, (406) 444-2694; the Montana State Historic Preservation Office, (406) 444-7715; the Montana State Library, (406) 444-3115, all in Helena, or the Montana Committee for the Humanities, Missoula, (406) 243-6022

Resource Indemnity Trust

The Montana Department of Natural Resources makes grants from the Resource Indemnity Trust Fund every two years. Grants are reviewed by the Department and then referred to the Legislature for approval. Funds for this program come from severance taxes associated with mining activity in the state. Historic preservation projects that emphasize renewable resource management and community development are eligible. Applicants must be a unit of state government, such as a municipality, or an Indian Tribe. For information contact the Department of Natural Resources, (406) 444-6700.

Montana Committee for the Humanities

The National Endowments for the Arts and Humanities provide funds to the State of Montana for regranting purposes. National Endowment for the Humanities (NEH) funds is administered through the Montana Committee for the Humanities in Missoula, (406) 243-6022. Funds may be used to help finance historic and prehistoric surveys, public forums on preservation issues, research, oral history, public speakers on preservation and other related topics. Project planning and implementation must involve humanists and those groups (such as Native Americans) who might have a direct interest in the particular resources that are at issue.

Montana Arts Council

The Montana Arts Council in Helena, (406) 444-6514, administers regrant funds from the National Endowment for the Arts (NEA). Funds may be used to undertake cultural resources planning, to sponsor activities and events (folk festivals, art shows, indigenous craft shows, and apprenticeship programs). NEA also supports funds in the field of art and architecture and supports the activities of local arts agencies.

MONTANA ARTS COUNCIL
PO BOX 202201
HELENA MT 59620-2201

Application for funding may also be made directly to the national offices of both NEA and NEH in Washington. For example, NEA provides funding for community projects that address certain aspects of historic preservation, landscape design and cultural resources planning.

Montana Board of Housing

The Montana Board of Housing (406-444-3043), was created by the Montana Housing Act of 1975 in order to alleviate the high cost of housing for lower income persons and families. The funds to operate the programs administered under the Act are generated through either the sale of tax-exempt bonds or administrative fees. The Board's programs that may be applied to historic preservation efforts include:

- Low Income Housing Tax Credit Programs makes use of federal tax credits to provide incentives to developers to provide low income multi-family housing.
- Reverse Annuity Mortgage Loan Program for Elderly Persons enables persons 68 years or older to use home equity to obtain funds to make repairs or improvements to their homes.

Center for the Rocky Mountain West

The Center for the Rocky Mountain West was authorized by the Board of Regents and created at the University of Montana in 1992 as forum to explore, examine and articulate an inclusive regional history population. The Center examines the region, identifies patterns of history and culture and provides the opportunity to shape the regional identity and values in the growth of the region. For information about this contact:

CENTER FOR THE ROCKY MOUNTAIN WEST
MILWAUKEE STATION, 2ND FLOOR, U OF M
MISSOULA MT 59812-1158
PHONE: (406) 243-7700

Travel Montana

Travel Montana (406- 444-2654), a division within the Montana Department of Commerce, is charged with the development and promotion of tourism related economic development for the State of Montana. Their funds are primarily derived from the Montana bed tax, an accommodation tax of four percent levied on users of Montana's lodging facilities.

Travel Montana has a ***Tourism Infrastructure Investment Program*** which awards grants to tourism-related non-profit groups for activities such as project construction costs (bricks and mortar) associated with building new and/or rehabilitating older tourism and recreation attractions, historical sites or artifacts; costs associated with purchasing new and/or existing tourism and recreation attractions, historical sites or artifacts and equipment purchased for a specific tourism project operation. Grant application materials are available from Travel Montana in late spring of each year. The applications deadline is August 1.

The state is divided into six tourism "countries," such as Gold West Country, Custer Country, etc., to which monies are allocated primarily for promotion. Eligible activities can include informational brochures and other materials that can assist in interpreting cultural resources. Application for projects must be made to the regional tourism "country" associated with your locale. This information can be obtained by contacting the Travel Montana office in Helena and/or the nearest Chamber of Commerce.

The National Trust for Historic Preservation (NTHP)

The National Trust for Historic Preservation (NTHP) provides funding for historic preservation projects in a number of categories. Funds for NTHP programs derive from Trust memberships, charitable contributions and Congressional appropriation through the National Historic Preservation Fund. The financial assistance programs of NTHP include the following:

National Preservation Loan Fund (NPLF)

The NPLF promotes the revitalization of commercial and industrial centers, the conservation of neighborhoods and rural communities, and the preservation of archaeological and maritime resources. Through the NPLF, the Trust provides financial and technical assistance to help preserve historic resources as well as strengthen the real estate development capabilities of recipient organizations. The Fund provides non-profit organizations and public agencies with low-interest loans, loan guarantees and lines of credit to help establish or expand local and statewide revolving funds and loan pools, and to undertake development projects involving historic buildings, sites and districts. The Fund also offers special assistance for buildings and sites certified National Historic Landmarks (NHL) or that meet NHL criteria.

Preservation Services Fund (PSF)

PSF grants are intended to increase the flow of information and ideas in the field of preservation. They help stimulate public discussion, enable local groups to gain the technical expertise needed for particular projects, introduce students to preservation concepts and crafts and encourage participation by the private sector in preservation. Eligible applicants must be non-profit organizations or public agencies and members of the NTHP Forum program. Maximum awards are \$5,000 and all grants must be matched on a dollar for dollar basis, using primarily cash contributions. Contact the regional office for application materials and deadlines.

Johanna Favrot Fund

This fund was established in 1994 for the purpose of saving historic environments across the United States in order to foster appreciation of our nation's diverse cultural heritage and to preserve and revitalize the livability of the nation's communities. Eligible activities include hiring consultants in areas such as architecture, planning, economics, archaeology, fund raising, media relations, education, graphic design, organizational strengthening; sponsoring conferences and workshops; designing education programs. Application deadline is February 1. For more information, contact the regional office of the National Trust

Critical Issues Fund

The Trust provides matching grants to local, state and national non-profit organizations, universities and local government entities seeking support for research or model projects that pursue broadly applicable solutions to pressing preservation problems.

The Inner City Venture Fund

This program provides financial assistance for projects that benefit low and moderate-income residents of older neighborhoods facing displacement pressures. Based on regional funding sources, this program is geographically targeted.

Information on NTHP Programs

For more complete information on the National Trust and its programs contact:

NTHP MOUNTAIN/PLAINS REGIONAL OFFICE
910 16TH ST.- SUITE 1100
DENVER CO 80202
PHONE: (303) 623-1504
FIELD REPRESENTATIVE: ROBERT NIEWEG

Private Foundations

Hundreds of private foundations nation-wide have grant giving programs in the areas of historic preservation (capital, education, interpretation, advocacy), archaeology, paleontology, museum development and management, economic development, local capacity building, housing, and other related programs. Specific information regarding foundations interested in these activities can be found in various foundation catalogues. The State Library in Helena and many local and college libraries maintain a grant collection that includes foundation catalogues and various grantsmanship publications. Local and regional planning and economic development organizations often provide grant information. Often these institutions will provide grant searches for a set fee. Various private and public entities offer courses and seminars in grant proposal preparation. Further information can be obtained from local county extension agents, and various library and university representatives.

Local Initiatives

Montana statute provides for a series of local funding mechanisms that can be used for historic preservation and related activities. These mechanisms require the approval of the local governing body and in certain cases, the taxpayers that might be affected by the program.

Tax Increment Financing

Under the Montana Urban Renewal Law, communities may establish tax increment districts to revitalize blighted neighborhoods and central business districts. Tax increment financing means that new property tax dollars resulting from increases in the market value of real property may be directed to the neighborhood where the real property is located. The base property tax (before any improvements to real property) continues to be distributed to the local government and school districts. However, tax dollars accruing from increases in property values (from rehabilitation, new construction, etc.) are available for reinvestment in the neighborhood and can only be spent in the neighborhood where they are generated.

A tax increment program is authorized for 15 years or longer if the revenue is pledged to the payment of urban renewal bonds. A community must identify the neighborhood or business district where the program will be implemented. Funds have been used to improve the neighborhood infrastructure, for grants and loans to improve historic buildings, to manage Main Street programs and for events. Tax increment programs depend on substantial investment in property but can work in small and medium-sized communities that are experiencing some growth. Tax increment financing can assist communities in directing growth to older, historic areas where infrastructure is already in place and patterns of use have been established. Information can be obtained from communities that have tax increment financing in place including Missoula, Great Falls, Billings, Kalispell, Butte and Helena.

Special Districts for Business Improvement, Parking & Other Infrastructure

Neighborhood residents and downtown property owners can elect to levy special taxes on themselves for special activities and capital improvements. Business Improvement Districts, for example, can fund downtown revitalization activities, promotions and events. Parking Districts can assist development efforts in locating parking lots in a manner consistent with good community design and respectful of the historic streetscape. Older Neighborhoods can benefit from improvements to streets and sewers, lighting, public parks through this self-funding mechanism.

To date, Helena and Great Falls have adopted Business Improvement Districts. Local Government Assistance Division of the Montana Department of Commerce, (406-444-3757), can provide assistance in the establishment of special districts for infrastructure improvement.

Local Mill Levy

Montana law permits a local government to levy up to two mills (1/1000 of the taxable value of a community) for any museum, facility for the arts or collection of exhibits. Funds can be used for operations, capital improvements and program development. For information, contact the Montana Arts Council, (406-444-6514).

Notes